

**SOUTH DAKOTA DEPARTMENT OF AGRICULTURE
VALUE ADDED FINANCE AUTHORITY
MINUTES OF THE PUBLIC MEETING/HEARING
January 26, 2017**

The South Dakota Value Added Finance Authority (VAFA) board held its regularly scheduled meeting/public hearing on Thursday, January 26th, 2017, at the SDDA Conference Room, Third Floor, Foss Building, 523 East Capitol Avenue, Pierre, South Dakota.

Board Members Present:

Bob Hull, Chairman
Mark Gross, Vice Chairman
Jim Doolittle
Jim Schmidt
Charles Jepson
Nathan Jensen
Marcia Hendrickson

Board Members Absent:

Staff Present:

Terri LaBrie, Executive Director VAFA, Kimberly DeSchepper, SDDA Grant and Loan Specialist

Others Present: Brent Krause, Adam Krause, Danny Smeins, Regina Wixon, SD Agricultural Laboratories

Call to Order: Chairman Hull opened the public hearing/meeting at 8:02a.m. CT and asked for roll call. A quorum was present.

Agenda: Chairman Hull asked for any additions to the agenda, none were mentioned

A motion to approve the agenda was made by Marcia Hendrickson and seconded by Jim Schmidt. Motion passed by unanimous roll call vote.

Minutes: A motion to approve the minutes dated December 14 and 15, 2016 was made by Jim Doolittle and seconded by Jim Schmidt. Motion passed by unanimous roll call vote.

Adam Krause BFBP #2-0083 Application and Resolution A: Ms. LaBrie informed the board Adam Krause is applying for a Contract Sale Beginning Farmer Bond for \$520,761.00 to purchase 102.11 acres of agricultural land. The applicant meets all eligibility criteria for the program and the project is an eligible project. Adam Krause was on the line to answer questions from the board. Ms. LaBrie recommended the board pass Resolution A to approve the application and move forward with the Public Hearing at the February meeting.

A motion to approve staff recommendation and adopt Resolution A was made by Jim Doolittle and seconded by Nathan Jensen. Motion passed by unanimous roll call vote.

Brent and Lyndy Krause BFBP #2-0084 Application and Resolution A: Ms. LaBrie informed the board Brent and Lyndy Krause are applying for a Contract Sale Beginning Farmer Bond for \$416,000.00 to purchase 80 acres of agricultural land. The applicants meet all eligibility criteria for the program and the project is an eligible project. Brent Krause was on the line to answer questions from the board. Ms. LaBrie recommended the board pass Resolution A to approve the application and move forward with the Public Hearing at the February meeting.

A motion to approve staff recommendation and adopt Resolution A was made by Marcia Hendrickson and seconded by Nathan Jensen. Motion passed by unanimous roll call vote.

Jaret Olson BFBP #2-0056 Modification and Resolution A: Ms. LaBrie informed the board Mr. Olson utilized the Beginning Farmer bond back in 2003. The contract seller put language in the contract that gave him the option to call the entire bond and he has elected to do that. First State Bank is interested in maintaining the tax-exemption; therefore, a refunding of the initial bond and issuing a new bond for the remaining \$93,888.06 is requested by the applicant. Mr. Danny Smeins, attorney for the beginning farmer was on the line to further explain this request and to answer questions from the board. Ms. LaBrie recommended the board pass Resolution A and move forward with the Public Hearing at the February meeting.

A motion to approve staff recommendation and pass Resolution A was made by Nathan Jensen and seconded by Mark Gross. Motion passed by unanimous roll call vote.

David and Ranee Priem VAARP #2016-03 Application and Resolution: Ms. LaBrie informed the board the Priems applied for a \$225,000 VAARP loan to purchase a restaurant in Hot Springs to transform it into a farm to table experience. Mr. and Mrs. Priem were not present on the call to answer questions from the board; therefore, Ms. LaBrie recommended the board table it until the February meeting to allow Priem's the opportunity to discuss the project with the board.

A motion to table until February was made by Mark Gross and seconded by Jim Doolittle. Motion passed by unanimous roll call vote.

Regina Wixon VAARP #2016-04 Application and Resolution: Ms. LaBrie informed the board Regina Wixon applied for a \$250,000.00 VAARP loan to build a new facility for their growing business. The project meets the eligibility criteria for the program. Regina was on the line to answer questions from the board. Ms. LaBrie recommended the board approve the loan and pass the accompanying resolution.

A motion to approve staff recommendation and adopt the Resolution was made by Jim Doolittle and seconded by Mark Gross. Motion passed by unanimous roll call vote.

Executive Director Report: Ms. LaBrie informed the board going forward the Executive Director Report will be a regular item on the agenda. The report will update the board of pending projects, current status of projects, as well as other business or announcements. Ms. LaBrie explained the new procedures regarding the Executive Session phone number, reminder text before the meeting, and calendar reminder. Ms. LaBrie also mentioned the 2017 Governor's Bond Allocation and the Joint Powers Agreement discussed at the December meeting.

The next VAFA meeting is scheduled for February 23rd, 2017 via conference call.

A motion to adjourn was made by Chuck Jepson and seconded by Nathan Jensen. Motion passed by unanimous roll call vote and the meeting adjourned at 8:35 a.m. CT.

Bob Hull, VAFA Chairman

Date